

April 6, 2006

Dear Chairman Gruenberg,

Stability is the bedrock of the American financial system, but the Bank of Wal-Mart would threaten that with a dangerous concentration of commercial and financial power. Even more troubling, Wal-Mart is using a recent loophole in federal law to establish its bank, which would be regulated by the FDIC and would not be subject to the same strict regulations as other banks that are regulated by the Federal Reserve.

And there's also concern about the economic impact of the Bank of Wal-Mart on our communities. I live in the small town of Honesdale, PA in Wayne County and we try to patronize the small local businesses. We have three local banks that, when the enormous bank comes to town, it will threaten the local alternatives, just like super centers have undermined so many other local stores. Then, with these critical centers of capital gone, local businesses that compete with Wal-Mart may be forced to rely on the retail giant's bank for loans.

Please have the local directors attend this important hearing and listen to the comments and concerns of the witnesses.

Thank you.

Anne